

**EXHIBIT C**  
**SWAREK SWORN DECLARATION**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF MISSISSIPPI**

**IN RE: BLUE DIAMOND ENERGY, INC.**

**NO. 23-50490-JAW**

**Debtor**

**CHAPTER 11**

**and**

**ESCAMBIA OPERATING COMPANY, LLC**

**NO. 23-50491-JAW**

**Debtor**

**CHAPTER 11**

**Jointly administered with**

**ESCAMBIA ASSET COMPANY, LLC**

**NO. 23-50492-JAW**

**Debtor**

**CHAPTER 11**

**DECLARATION OF THOMAS SWAREK**

Thomas Swarek hereby declares under penalty of perjury pursuant to 28 U.S.C. § 1746, as follows.

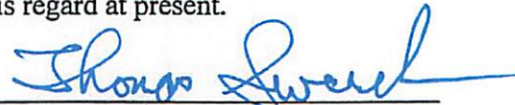
1. I am an adult resident of Harrison County, Mississippi.
2. The statements made in this Declaration are to the best of my personal knowledge.
3. I am the President of Blue Diamond Energy, Inc., the Debtor-in-Possession in Case No. 23-50490-JAW, captioned above, and am the designated Debtor's representative in that case.
4. I am in receipt of and have thoroughly reviewed a copy of the *Agreed Order Resolving Breitburn Operating, LP's Motion for Appointment of a Chapter 11 Trustee* (Doc. 470 in Case No. 23-50490 JAW) entered October 11, 2023 (the "Agreed Order").
5. Prior to the entry of the Agreed Order, and thereafter until the Court entered its Order approving the appointment of Drew McManigle as Chapter 11 Trustee for Escambia Operating Company ("EOC") and for Escambia Asset Company ("EAC") (Doc. 139 in Case No. 23-50491-JAW) on October 25, 2023 (the "McManigle Order"), I was the Debtor's representative and the person in charge of management of EOC and EAC as Debtors-in-Possession.
6. The Agreed Order, specifically that portion of that Order referenced in a letter of December 1, 2023 from the Chapter 11 Trustee's counsel to Blue Diamond's counsel (copy attached), has been complied with as follows:

*Declaration of Thomas Swarek*

- The Chapter 11 Trustee was given immediate and full control of all funds of Escambia Operating Company (EOC)<sup>1</sup>, and all of the operations of EOC<sup>2</sup>, including EOCs bank accounts.
- The management, employees, and retained professionals of EOC and EAC in place prior to the entry of the McManigle Order have co-operated fully in transition of the operation of the business of EOC and EAC from the respective Debtors-in-Possession to the Chapter 11 Trustee.
- The Declarant agrees that all assets titled in Blue Diamond and purchased with EOC and/or EAC funds post-petition are deemed transferred to EOC.
- I have, personally cooperated with the Chapter 11 Trustee to insure that all funds transferred from EOC to myself or any affiliates or entities under my control are properly transferred to EOC; and likewise.
- I have personally cooperated with the Chapter 11 Trustee to ensure that all equipment acquired post-petition using funds of EOC that was transferred to or titled in myself or any affiliate or entity under my control ("**Swarek Entities**") are promptly transferred free and clear of liens and claims to EOC.

7. It is unclear which items of personal property (*i.e.*, oilfield equipment and other business personal property) are property of the EOC Bankruptcy Estate, and which are property of one of my affiliated entities. It is therefore unclear to what extent, if any, that I am not in compliance with the Agreed Order. It is estimated that it will take at least two months to make such a determination. Therefore I cannot confirm full compliance with the Agreed Order at this time.

8. Also unclear is an accounting between EOC and entities owned or controlled by me. There were numerous transfers of funds to and from EOC accounts to and from Swarek Entities, and transfer to Swarek Entities in exchange for goods and services. It is estimated that it will take at least one month to make a full and accurate accounting. Therefore I cannot confirm full compliance with the Agreed Order in this regard at present.

  
 THOMAS SWAREK

<sup>1</sup> EAC did not have any funds and did not have a bank account.

<sup>2</sup> EAC did not have any operations as it is only a holding company for mineral interest assets and real property.

Patrick A. Sheehan, MS Bar #6747  
Sheehan & Ramsey, PLLC  
429 Porter Avenue  
Ocean Springs, MS 39564  
Phone: (228) 875-0572  
pat@sheehanramsey.com

*Declaration of Thomas Swarek*